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BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

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2007 SEP 25 A 10:05

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
LAS QUINTAS SERENAS WATER CO. FOR A
RATE INCREASE.

DOCKET NO. W-01583A-04-0178

IN THE MATTER OF THE APPLICATION OF
LAS QUINTAS SERENAS WATER CO. FOR
AUTHORITY TO INCUR LONG-TERM
INDEBTEDNESS TO FINANCE WATER
SYSTEM IMPROVEMENTS AND ASSURE
COMPLIANCE WITH NEW ARSENIC RULES.

DOCKET NO. W-01583A-05-0326

IN THE MATTER OF THE APPLICATION OF
LAS QUINTAS SERENAS WATER CO. FOR AN
OPINION AND ORDER TO (i) RE-OPEN THE
RECORD IN A RECENT RATE CASE SO AS TO
CONSIDER EVIDENCE IN SUPPORT OF AN
ARSENIC COST RECOVERY MECHANISM,
AND (ii) MODIFY RATE CASE DECISION IN
ORDER TO ADD AN ARSENIC COST
RECOVERY MECHANISM AS AN
AUTHORIZED RATE AND CHARGE.

DOCKET NO. W-01583A-05-0340

Arizona Corporation Commission
DOCKETED

SEP 25 2007

DOCKETED BY

PROCEDURAL ORDER

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BY THE COMMISSION:

On August 22, 2007, at an Open Meeting, the Arizona Corporation Commission ("Commission") voted pursuant to A.R.S. § 40-252 to re-open the above-captioned dockets and Decision No. 68718 for the purpose of implementing a fire sprinkler tariff for Las Quintas Serenas Water Company ("LQS" or "Company").

By letter dated September 6, 2007, LQS submitted a proposed Fire Sprinkler Tariff.

On September 20, 2007, the Commission convened a Procedural Conference in this matter to discuss procedures and a schedule for this matter. The Company and Commission Utilities Division Staff ("Staff") appeared through counsel. Also making appearances were Mr. Robert Brown, on behalf of the Unity Church, a customer of LQS, and Mr. James Stahle, the Sahuarita Town

1 Manager. The Town of Sahuarita ("Town") receives service from LQS, as well as is concerned how
2 the lack of fire sprinkler tariff affects its citizens. Mr. Brown and Mr. Stahle requested intervention.
3 The Company did not object.

4 The Town and Unity Church request expeditious approval of a tariff. In evaluating the Tariff,
5 the Commission must analyze how it would affect the revenues of the Company and affect customers
6 in the long-term.

7 IT IS THEREFORE ORDERED that the **Hearing** in this re-opened matter to implement a fire
8 sprinkler tariff shall commence on **November 14, 2007**, at **10:00 a.m.**, or as soon thereafter as is
9 practical, at the Commission's Tucson offices, 400 West Congress St., **Room 131**, Tucson, Arizona
10 85701.

11 IT IS FURTHER ORDERED that the Company shall file written **direct testimony** in support
12 of its proposed Fire Sprinkler Tariff no later than **October 10, 2007**.

13 IT IS FURTHER ORDERED that **Staff and intervenors** shall file their Staff Report or any
14 comments to the Tariff and/or Company testimony by **November 5, 2007**.

15 IT IS FURTHER ORDERED that any **Response** to the Staff Report or intervenor comments
16 shall be filed by noon on **November 12, 2007**.

17 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
18 except that all motions to intervene must be filed on or before **November 5, 2007**.

19 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
20 this matter, in the following type size, form and style:

21 **PUBLIC NOTICE OF HEARING ON THE**
22 **FIRE SPRINKLER TARIFF OF**
23 **LAS QUINTAS SERENAS WATER COMPANY**
Docket No. W-01583A-04-0178 ET AL

24 On August 22, 2007, the Arizona Corporation Commission ("Commission") re-opened
25 Docket No. W-01583A-04-0178 et al. for the purpose of implementing a fire sprinkler
26 tariff for Las Quintas Serenas Water Company ("Company"). On September 6, 2007,
27 the Company submitted a proposed fire sprinkler tariff. The Company proposes a
28 charge of \$10.00 for each fire sprinkler connection 6 inches or smaller and a \$15.00
charge for each fire sprinkler connection larger than 6 inches. The Company has
stated that at this time, it is not proposing to alter its other rates and charges on
account of its proposed fire sprinkler tariff.

The Commission's Utilities Division Staff has not yet made a recommendation regarding the Company's proposed tariff, and the Commission will determine whether the proposed fire sprinkler tariff should be approved based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors and, therefore, the final tariff approved in this docket may contain different terms or charges that are either lower or higher than the proposed charges. Copies of the proposed tariff are available at the Company's offices [INSERT ADDRESS] and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a **hearing** on this matter beginning **November 14, 2007, at 10:00 a.m.**, at the Commission's offices, **Room 131**, 400 West Congress, Tucson, Arizona. Public comments will be taken at the beginning of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission no later than **November 5, 2007**. The motion to intervene must be sent to the Company or its counsel and to all parties of record, and must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different from the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the tariff or from filing written comments in the record of the case. You will not receive any further notice of this proceeding unless you request it.

If you have any substantive questions about this application you may contact the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE APPLICATION].

If you wish to file written comments regarding the tariff, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative

format, by contacting the ADA Coordinator, Linda Hogan, at LHogan@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of the above notice by October 19, 2007.

IT IS FURTHER ORDERED that the Company shall file certification of mailing as soon as practicable after the mailing has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that Mr. Brown, on behalf of the Unity Church, and the Town of Sahuarita shall be granted intervention.

IT IS FURTHER ORDERED that that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 24th day of September, 2007.


JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed
this 24th day of September, 2007 to:

Lawrence V. Robertson Jr.
P.O. Box 1448
Tubac, Arizona 85646
Attorney for Las Quintas Serenas Water
Company

John S. Gay
1241 W. Calle De La Plaz
Sahuarita, Arizona 85629

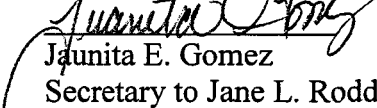
James Stahle
The Town of Sahuarita
725 W. Via Rancho Sahuarita
PO Box 879
Sahuarita, AZ 85629

Robert Brown
Unity Church of Green Valley
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Sahuarita, AZ 85629

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11 By: 
Jaunita E. Gomez
12 Secretary to Jane L. Rodda
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